

IS GOVERNMENT SPENDING GETTING OUT OF HAND?

STAT

A Top Congressman Blames Public, Says It's Time to Call a Halt

A powerful Democrat in Congress views with considerable alarm the expanding scope—and cost—of the Federal Government.

More and more new programs, says the chairman of the House Appropriations Committee, are giving the U. S. "too much Government."

Result: U. S. is spending beyond its means, tak-

ing on more than it can handle, and new, high-cost programs may be only the beginning.

What's the reason? What to do about it?

Putting a stop to it all, he feels, is up to the people. A public demand—"loud and clear"—for a slowdown is urged to put restraints on Congress before it is too late.

Following is an excerpt from an address by Representative George H. Mahon (Dem.), of Texas, to the Chamber of Commerce of Lubbock, Tex., Oct. 25, 1966:

The Speaker rapped the gavel at 6 p.m. on Saturday, signaling the end of the 89th Congress. It was an active and vigorous Congress. Measures have been adopted that are far-reaching. They embrace new concepts and new programs. The decisions of this Congress will affect each and every one of us and our families, our businesses, our farms and our future. They will contribute to changing the course of the nation.

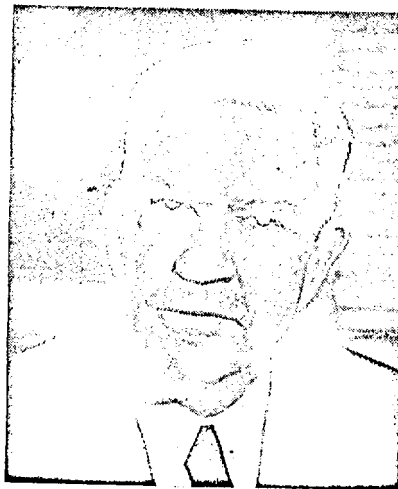
And, my friends, they will be expensive—very expensive.

I wear two hats in Washington: that of the Representative of the nineteenth district of Texas, and that of the chairman of the 50-member House Appropriations Committee, the biggest and perhaps the most powerful, certainly the most active, committee in Congress. The wheels of Government don't move without money.

Although I always work in the Committee for the positions which I believe the Representative of the nineteenth district should take, these positions do not always prevail. The enactment of law is always the result of compromise, and decisions are made by majority vote.

As chairman, I am the spokesman for the majority of the Committee. When I lose a battle in the Committee, I must then support the position of the majority of the Committee. To do otherwise would be to break faith with our system. A man cannot break faith with his colleagues very often without losing their regard and, as a result, losing his effectiveness in Congress.

Of course, I could resign my chairmanship and go freelance, but that would downgrade me as a legislator and hurt you, because this would take away the position of considerable power which I hold.



—USN&WR Photo

Representative Mahon

The chairman of the board at the bank, after an issue has been fought out, must represent the decision of the board. Otherwise, the system breaks down and chaos results.

Inevitably, as a result of my job, I have been in the "big middle" of affairs in Washington, and I want to report to you about them.

You, on the other hand, probably have questions of me: Is our country militarily safe? How is the war in Vietnam going? Will we have a tax increase? What about the riots and the breakdown of law and order? What about Government spending?

These are the things we need to discuss. I do not have to tell you that scores of new laws were enacted by the recently adjourned Congress. Nor do I need to remind you that they all add up to bigger Government, to higher budgets, and to more taxes—or more debt.

The great volume of legislation was enacted because legislators thought, rightly or wrongly, that a majority of the people of the country wanted it to be enacted. I voted for some of the new legislation and against much of it.

I am not a reactionary. I know that we must continue to strive to improve our country and the lives of the people in every State, but, in my opinion, the Federal Government must not be permitted to intrude too far into our lives. Some new legislation tends to permit such intrusion. Moreover, we cannot possibly raise taxes high enough to finance every noble idea that somebody dreams up.

Much of the new legislation pertains to education. Aid to thousands of elementary and secondary schools, provision for federal scholarships for college students, money for the construction of college classrooms and assorted other far-reaching programs were approved.

Health programs were much expanded.

Many of the new laws are primarily for the people living in cities—and the great majority of our people live in urban

... "There will probably be a general tax increase next year"

areas, and their Representatives have a lopsided majority in Congress. Good examples of this legislation are the "demonstration cities" and mass-transit bills.

Other legislation dealt with water-pollution control, beautification, recreation areas, the "war on poverty," narcotics, auto and highway safety, tire safety, child safety, "truth in packaging," minimum wages, increased Social Security payments, increased veterans' payments, and a new GI Bill, to name a few.

Congress not only adopted many of the "Great Society" programs, it even outdid the President in some respects by going further than he recommended on a number of proposals. At times, we galloped when we should have walked or stood still. That applies to the President, and it also applies to Congress.

Spending Programs That Grow

Congress did, I believe, modify every major piece of legislation requested by the President, and balked on a number of them. Repeal of section 14(b) of Taft-Hartley on the "right to work" question, and the 1966 civil-rights bill are major ones that didn't get through. I voted against both of them. But a heavy load of laws was added to the statute books. And the seedbeds of large and growing spending programs were sown.

In consequence of all this, we are suffering from some legislative indigestion: from too much Government, from too much spending, and from too much inflation. And in further consequence, we face the probability of a federal tax increase next year.

I hope I am in error, but there will probably be a general tax increase next year. I think there may have to be a tax increase. I say this because expenditures for the war in Vietnam will continue to mount upward, and expenditures for domestic purposes are mounting. Government revenues are going up, too, but the increase in revenues is disproportionate to the increase in spending, and will probably not be sufficient to approach a pay-as-we-go situation.

In 1959, we had a deficit in excess of 12 billion dollars. That was at a time of business recession and high unemployment. President and the Congress and the country cannot stand a deficit anything like that at this time, when the economy is booming and employment is high. There is a high level of prosperity nationally, though it is not equally distributed. In our own area, as you know, we are in some difficulty.

It is true that we didn't try to follow a pay-as-you-go policy during World War II and the Korean War. But in World War II, 41 per cent of the gross national product was required for the war effort; 13 per cent was required in the Korean War.

War and defense costs now require only 8½ per cent of the gross national product. We can pay as we go, and we cannot at this time defend a policy which does less.

Inflation is taking a bite out of all of our incomes and it threatens to take more. In a sense, inflation is nothing but a tax—and a most dangerous tax at that. A tax levied by the Government to slow down inflation and prevent our Government from going into a deep deficit is far preferable. No Administration can afford to permit runaway inflation.

An answer to inflation, other than a tax increase, is wage and price controls. This would create far more problems and far greater inequities than a tax increase. There is absolutely no support in Washington at this time for price and wage controls. They are not in the offing.

Every possible effort should be made by the President and Congress to hold the line on spending. Then, next year, if we are still confronted with going in the red by a considerable sum, we ought to support a tax increase as the best approach to a very difficult problem.

What of Government spending? you ask.

In the appropriation bills for this session, we made reductions below the President's requests. We increased his appropriation requests in the defense bills by 268 million dollars. We reduced his nondefense appropriation requests by nearly 1.2 billion dollars. Certain programs were authorized in legislative bills at higher levels than the President proposed, but the appropriations generally necessary to make programs effective were held below the total appropriations requested.

Yet, the over-all trend is upward. War and defense costs account for most of the increase, but not all.

Even with the great increases in Government spending, because our economy has been booming and the gross national product continues to rise, the percentage of the total gross national product expended by the Government has remained at about 15 per cent over the last several years.

We only made small down payments this year on some of the newly authorized programs. The costs of many of them will increase year by year. Three of them—"demonstration cities," the antipoverty program, and aid to elementary and secondary education—alone will create pressures for spending that will be all but impossible to resist. Every city and county in the country will have the opportunity to get federal money. Members of Congress will each be under pressure to get as much for their areas as possible.

"Demonstration cities" is a program through which the Federal Government undertakes to assume a major part in rebuilding blighted areas of cities. Funds provided this year are small indeed compared to what they will be as city after city gets on the bandwagon and demands a piece of the pie. The original program would cover only about 50 or 60 cities—about one to each State. But this is just the beginning. Mayor Lindsay estimates that 50 billion dollars will be needed in 10 years for New York City alone!

The farm bloc has been submerged by the power of the populations of the burgeoning cities.

In federal aid to education, Congress authorized some 6 billion dollars over a two-year period for aid to elementary and secondary schools alone. This is a modest sum compared to what it will be when the pressures mount from school districts across the nation for greater and greater contributions from Washington.

The poverty program is going to get bigger. I hope it gets better. The Committee on Appropriations was able to reduce this program below the President's request, but as the program gathers momentum, we may not be able to hold the line next year. Sargent Shriver [Director of the Office of Economic Opportunity] had asked the President to ask Congress to provide the program with twice as much money as the Congress actually gave.

"We Are an Undisciplined People"

The ultimate answer is only partly in Congress; it is only partly in the White House. More importantly, control of public spending rests with the people who create public sentiment and elect officials of Government. And it is a real challenge, because we are, to some extent, an undisciplined people. Congress is not going to practice restraint unless the message comes through loud and clear from the people generally.

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